

ARTICLE APPEARED  
ON PAGE A44NEW YORK TIMES  
8 December 1985

# The Multiple Characters Of Suspect in Spy Case

By STEPHEN ENGELBERG  
Special to The New York Times

WASHINGTON, Dec. 7 — Larry Wu-Tai Chin entered Peking's Yenching University in 1940 when China was at a political crossroads. As Japanese armies occupied Peking and much of the country, many wondered whether to support the Communist insurgents.

It was a debate that did not captivate Mr. Chin, a tall, thin serious student who was nicknamed "Grasshopper." Mr. Chin had no discernible political leanings, according to John Fei, a classmate who lived in the same dormitory in 1940.

His main college activity, Mr. Fei recalls, was membership in a religious fraternity.

Sometime in the next decade, as China struggled through civil war, Mr. Chin was recruited as an agent for the Communists and was planted in the ranks of American intelligence. Federal officials contend. The officials say Mr. Chin lived a double life, working as a respected translator and then analyst for the United States Central Intelligence Agency while feeding highly sensitive documents to Peking.

Mr. Chin has pleaded not guilty and his lawyer contends that his admission of spying last month to agents of the Federal Bureau of Investigation was coerced.

## Motives Somewhat Unclear

If Mr. Chin was a spy, his motivation remains somewhat unclear. Mr. Chin told bureau agents of being "indoctrinated" in the aims of the Communist Party twice after he began his work for the American authorities in China in World War II. A Federal indictment charges, however, that he was paid \$140,000 and investigators poring over his real estate holdings, bank accounts here and abroad, say the payments may total much more.

As the Federal authorities assess the extent of the damage they say Mr. Chin has caused, friends and associates are still trying to reconcile his many worlds.

Those who knew him in the tightly knit Chinese community here recall that Mr. Chin was a somewhat flamboyant figure, a man who boasted of his successes as a gambler and investor in real estate. Records show he purchased nearly a dozen pieces of property in suburban Virginia and Baltimore.

According to associates, he sometimes described himself as an F.B.I. agent. In one instance, he accused a local businessman who had angered him of being an operative for the Chinese Communists, according to associates.

Mr. Chin's intelligence work earned him honors from both the United States and China, according to Federal officials. They say the C.I.A. gave him a medal for his distinguished performance while the Chinese secretly promoted him to the rank of deputy bureau chief in 1982.

Administration officials assert that Mr. Chin's case represents a serious security breach. He had access to virtually all levels of Central Intelligence Agency reporting on the Far East. The authorities say he hid many of these documents in his clothes and briefcase, carried them home, and photographed them for delivery to his handlers in China.

Officials say that although he worked in the Foreign Broadcast Information Service, an arm of the C.I.A. that deals mostly with open broadcasts and publications, Mr. Chin's abilities as a translator gave him access to covert operations. These included American efforts to fool the Chinese with double agents, officials say.

In such an operation, an agent working for American intelligence would pretend to allow himself to be recruited for the Chinese. If Mr. Chin was able to pass even an approximate description of the American operatives, the Chinese would have been able to either arrest these agents or to feed them false information, according to former intelligence officials.

The case is also significant because Mr. Chin for decades was able to evade the agency's security procedures, which include routine polygraph, or lie-detector, examinations. If prosecutors prove their case, it would be the first public evidence that a long-term double agent had succeeded at burrowing into the C.I.A.

Those who have known Mr. Chin for decades say they were shocked by the charges against him. They acknowledge that the 62-year old Mr. Chin, like many immigrants of his generation, kept in touch with the customs of his native land. But friends and associates grope for words to explain the contradictions between appearance and what the Federal authorities contend was reality.

"I was shocked, really shocked by this," said Helen Lee Mai, a former film actress in Hong Kong who was a friend of Mr. Chin when she lived here several years ago. "I really respect him, he was a very knowledgeable man."

Mr. Fei, his classmate at Yenching University, remembers that Mr. Chin was a target of frequent teasing because of his serious manner and long thin frame.

"In those days we figured out a nickname for him," Mr. Fei said. "We would call him 'Grasshopper.' One day, he came over to our room and we began talking about 'Grasshopper.' We were laughing and laughing, but he didn't know what we were talking about."

"I can't recall any instance that would remind me of his political philosophy," he said.

Those who know Mr. Chin say that he often discussed schemes involving money. According to Mr. Fei, he told friends of his "system" for gambling and that he had used his winnings to finance the college educations of his three children.

Those who know Mr. Chin say that schemes involving money were a frequently a topic of his conversation.

Mr. Fei said: "He would say, 'I go to Vegas. I am a privileged person there. I get free tickets, I'm a big customer, always winning.' He once talked to a friend of mine and he said, 'I want to teach you how to gamble, I'm an expert.'"

About a year ago, he sent an unsolicited article to the local Chinese language newspaper with tips on how get rich in real estate.

James Wei, publisher of the newspaper, said that although he had never met Mr. Chin, he knew of his real estate purchases and had no reason to doubt his expertise as a businessman.

In the past six years, Mr. Chin has purchased at least five individual condominium apartments in suburban Virginia.

## Bank Account of \$98,000

According to the Maryland Department of Assessments and Taxation, he purchased six row houses in rundown sections of Baltimore from 1979 to 1981. Row houses in the area can be purchased for as little as \$2,000. An F.B.I. agent, Mark Johnson, testified in court that a bank account in Mr. Chin's name was found in Hong Kong that held \$98,000 and he said a second account, apparently for trading in gold bullion, had also been found.

He was also involved in brokering loans for the Bank of China, the country's national bank. Mr. Johnson suggested in court that this arrangement was a means of delivering payments to Mr. Chin, and that his commissions from the bank were, in fact, payments for espionage.

Mr. Chin's career working for the American Government began while he was still in China. According to a Federal affidavit, he was a civilian employee of the United States Army Liaison Office in Fuzhou, China. There he met a Dr. Wang who "indoctrinated Chin in the aims of the Chinese Communist Party."

In 1948, he joined the American Consulate in Shanghai and as an interpreter and was encouraged to "serve the interests of Communist China" by a Mr. Wang, the affidavit states.

In the Korean war, he interviewed Chinese prisoners of war in Korea, and in 1952 he was paid \$2,000 Hong Kong to tell the Chinese what the Americans wanted to know.

In 1952, he joined the C.I.A. Foreign Broadcast Service and remained an employee until 1981, when he retired shortly before his 60th birthday. He has since been employed as a part time translator.